

118TH CONGRESS
1ST SESSION

S. _____

To amend the Internal Revenue Code of 1986 to increase the rate of the excise tax on the repurchase of corporate stock, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. BROWN introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to increase the rate of the excise tax on the repurchase of corporate stock, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. MODIFICATIONS TO TAX ON REPURCHASE OF**
4 **CORPORATE STOCK.**

5 (a) INCREASE IN RATE OF TAX.—Section 4501(a) of
6 the Internal Revenue Code of 1986 is amended by striking
7 “1 percent” and inserting “4 percent”.

8 (b) MODIFICATION OF ADJUSTMENTS.—Section
9 4501(c)(3) of the Internal Revenue Code of 1986 is
10 amended—

1 (1) by striking “The amount” and inserting the
2 following:

3 “(A) IN GENERAL.—The amount”, and

4 (2) by adding at the end the following new sub-
5 paragraph:

6 “(B) EXCEPTION FOR STOCK ISSUED TO
7 COVERED EMPLOYEES.—Subparagraph (A)
8 shall not apply to so much of the fair market
9 value of any stock issued or provided to an em-
10 ployee who is a covered employee (within the
11 meaning of section 162(m)(3)).”.

12 (c) EFFECTIVE DATE.—

13 (1) RATE.—The amendment made by sub-
14 section (a) shall apply to repurchases (within
15 the meaning of section 4501(c) of the Internal Rev-
16 enue Code of 1986) of stock after the date of the
17 enactment of this Act.

18 (2) ADJUSTMENTS.—The amendments made by
19 subsection (b) shall apply to stock issued or provided
20 after the date of the enactment of this Act, in tax-
21 able years ending after such date.